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30 Sep 60

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Status of Retirement Program Established
by Agency Notice [   ]   25X1

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1. Agency Notice [   ] dated 5 January 1960, outlined generally and briefly the Agency policy with respect to retirement for those employees who meet the provisions of that Notice and have not been asked to remain in service. This Notice also established the Agency Retirement Board.

2. The Board has convened five times. The first few meetings of the Board were largely confined to the development of operating policy and procedures. The attached policy statements from the Deputy Directors (Tab A) reflect the consideration which has been given to problems and situations unique to each particular area and there are, therefore, some variances in approach although they are consistent with the basic policy.

3. A total of 238 employees became eligible through 1960 for optional retirement under this program: DCI . . . 5; DD/P . . . 65; DD/I . . . 88; DD/S . . . 80. As of 1 September 1960, 28 employees have retired under the provisions of this program and 19 individuals have indicated their intention to retire before January 1961. Others plan to retire during 1961. Indications are that many had not planned a definite early retirement date before the program was put into effect. The Board has acted upon 21 cases where individuals, because of personal circumstances, have requested that exceptions to the policy be made in their particular case. Requests for exceptions, for the most part, fall into two distinct groups: those who look favorably upon immediate retirement but cannot retire for financial reasons; and those who are financially able and would not accept employment after retirement from CIA but are happy in their present job and have no plans or intentions of retiring until mandatory conditions are met. The Board

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has approved extensions for 18 employees who have asked for exceptions
to the policy on grounds of financial hardship. In each case, they have
been advised to consult with the Office of Personnel on possible ways to
improve their old-age benefits prior to compulsory retirement, including
early out-placement. Their annuities as of June 1961 would range from
$663 to $3231 per annum and average out at approximately $1500 per
annum. On the other hand, the Board has not concurred in the requests
of 3 individuals who have requested that they remain because they enjoy
their work and have no plans for retirement. Further statistics on the
program are given in Tab B.

    4. The Board proposed and the Office of Personnel is putting into
effect a pre-retirement planning and counseling program so that employees
will be reminded at least five years in advance of eligibility for retirement
of the Agency policy and the benefits which may result from sound advance
planning. The Office of Personnel has forwarded to each Office the names
of their people who will be eligible for optional retirement in 1961. Agency
reaction to this proposal has been favorable and it is, therefore, planned
to repeat this process until the five-year pre-retirement program is fully
in effect. By the first of the year, 1961, the Office of Personnel will have
furnished the names of approximately 569 people who will be eligible for
retirement through 1965. The Board and the Office of Personnel are con-
sidering the issuance of a retirement brochure of the type widely used in
industry to be given each employee with the notification that he is within
five years of retirement eligibility.

/S/

LAWRENCE R. HOUSTON
Chairman, Agency Retirement Board

Attachments

Distribution:
Orig. and 1 - Addressee w/att
        1 - ER w att
        1 - DD/S w/att
        1 - D/Pers w/att
        1 - C/POD/OP w/att
        1 - Chairman, Retirement Board w/att
25X1   2 - Retirement Board Members w/att
        1 - Exec. Sec., Retirement Board w/att
OP/POD/[   ]:rshw (29 September 1960)

MISSING PAGE

ORIGINAL DOCUMENT MISSING PAGE(S):

Attachment #1